Government of Saskatchewan

A STRATEGY FOR RURAL SASKATCHEWAN:

RESPONDING TO ACRE

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Our Vision for Rural Saskatchewan

We believe in a prosperous rural Saskatchewan, where individuals, communities, businesses and government work together to achieve sustainable economic development and an enhanced quality of life.

The vision, principles, goals and priorities of our rural strategy establish the pathway for successful and sustainable rural development. Government will work to create an environment that encourages development to take place, but it is up to individual Saskatchewan people, working alone or as part of their community, to make that development happen. We are each responsible for our own future – a future that is wide open for our entire province.

Premier's Message

Lorne Calvert
Premier of Saskatchewan

When the Action Committee on the Rural Economy (ACRE) was established two years ago, its members brought enthusiasm, commitment and discipline to the task of charting a course for the revitalization of our rural economy.

ACRE quickly established four principles to guide its proposals and recommendations: they must be environmentally acceptable, socially acceptable, economically viable, and sustainable in the long run. The result of their deliberations is a comprehensive report that will influence the actions of governments, communities, investors and individual citizens during the 20-year time frame that ACRE suggests is necessary to achieve the goals reflected in the report.

Although ACRE addressed longer-term objectives, they also put emphasis on the word "action" and began making proposals within four months of the Committee's creation. The province has responded to many of those interim recommendations. We will continue to use the ACRE report to guide future considerations and priorities. We will maintain ACRE to assist in monitoring and evaluating progress made by all of us who are involved in developing and diversifying our rural economy.

This response to the ACRE report shares the Committee's optimism about the potential for growth in rural Saskatchewan. Personally, in my travels through rural Saskatchewan, I have been inspired by the examples of enterprise and innovation that are being applied in agriculture and other sectors of the rural economy. Our shared challenge is to build on those examples of revitalization - involving the communities and First Nations of our province and creating new opportunities for and with the young people of Saskatchewan.

Our future is truly wide open.

Message from the Minister

Clay Serby
Deputy Premier
Minister of Saskatchewan
Agriculture, Food and
Rural Revitalization

We often say that rural Saskatchewan enjoys a number of advantages that make it competitive with other jurisdictions.

These include our abundant natural resources, our pristine environment, our temperate climate and our powerful agricultural sector.

But what truly sets our province apart from the rest, what gives us an edge anywhere in the world, is our people. The rural residents of Saskatchewan have demonstrated time and again that they have the determination, the strength and the resilience to succeed where others would fail.

The work of ACRE, the Action Committee on the Rural Economy, proves it. The 43 people in that group began a journey nearly two years ago that would chart the course for our province over the next 20 years. Their belief in, and commitment to, rural Saskatchewan has brought us to this moment – the unveiling of a new plan for the future, the foundation of which was built on their work.

ACRE has helped to create a renewed sense of enthusiasm and confidence about our province. They have confirmed that our people have what it takes to embrace change and build a vibrant rural economy.

The committee has also helped us to recognize that a network of successful farms, communities and business enterprises is vital for our economy to grow, and that a safe, healthy and sustainable business environment is required for it to flourish.

ACRE concluded that, although our provincial government has an important role to play in creating the right environment for rural development, local communities and entrepreneurs would ultimately drive the changes that need to take place.

Our response to ACRE represents government's first steps within that vision. This long-term plan will bring together all Saskatchewan residents, rural and urban, in partnership as we work to capture the tremendous opportunities before us.

As recognized by ACRE, this transformation will not happen overnight, but it will happen.

Our best resource, the people who call Saskatchewan home, guarantees it.

Clay Serby

Introduction

Saskatchewan's rural life reflects the rich cultural heritage and diversity of its citizens. However, rural Saskatchewan, like rural areas throughout North America and other parts of the world, has experienced profound change over the last 50 years. With vast improvements and changes in technology – including transportation, mechanization, communication and farming practices – where we live, the way we work and the way we live our lives has been forever altered.

Even so, some rural elements have remained constant. Saskatchewan is still home to resilient, hard-working, innovative and determined people. Today, these same strengths and values, combined with a host of opportunities presented by the new economy, give us reason to look to the future with hope and optimism.

One of Saskatchewan's greatest assets has always been, and remains, our huge land base. In addition, Saskatchewan is home to some of the richest resources in Canada – fresh water, clean air, abundant sunshine, diverse wildlife and geography, and untapped reserves of oil and minerals.

We all recognize that the challenges facing rural Saskatchewan today – such as drought, urbanization and international subsidy wars – are real, but so are the opportunities.

The province's economic blueprint, *Partnership for Prosperity*, identifies the revitalization of rural Saskatchewan as a priority for government. *Partnership for Prosperity* stresses that future success rests not only with government, but also with individuals, businesses, co-operatives and communities – all of which play a role in our economy. *Partnership for Prosperity* is based on four pillars: prosperous people, prosperous businesses and co-operatives, prosperous communities and a prosperous province. Building our rural economy will happen through increased diversification, a more competitive business climate and a greater emphasis on innovation and technology. Further, it will reach out to include First Nations and Métis communities and the important contributions they will continue to make in partnerships to build the rural economy.

The Government of Saskatchewan established the Action Committee on the Rural Economy (ACRE) to help decide how to proceed. By listening to rural residents, business people and stakeholders from across the province, ACRE was able to complete one of the most thorough analyses of the rural economy ever undertaken in Saskatchewan. That research was the basis for the recommendations the group's members put forward in their final report to government.

ACRE's work laid the foundation for our rural strategy – a framework that identifies goals, priorities and actions that we are working on to revitalize rural Saskatchewan. We have also identified a number of new initiatives that we will focus our attention on, to increase the opportunities in rural Saskatchewan. Our focus will be on creating a competitive business environment, ensuring that we have a sustainable and effective public infrastructure, and having strong and healthy communities. These three elements are critical components to ensuring a prosperous rural Saskatchewan.

The Action Committee on the Rural Economy (ACRE) was announced in the December 1999 Throne Speech. Its mandate is to explore and generate innovative ideas and recommendations for government and industry, and act as a catalyst for positive change and economic development in rural Saskatchewan. The 43-member committee represents producers, communities, industry groups and economic development organizations in rural Saskatchewan. Since its first meeting in September 2000, ACRE has conducted extensive analysis and research, consulted with rural residents and met with hundreds of people and organizations across the province.

When ACRE members first began the task of developing strategies to enhance the rural economy, they were confronted with the common public perception that rural Saskatchewan is in a "death spiral" and that there is no hope for the future. However, ACRE also found many examples of communities that are thriving. The committee compiled a number of these examples in a report entitled *Community Success Stories* – a document highlighting areas where entrepreneurs and local leaders have pushed past negativity to build their communities.

In response to these findings, the Government of Saskatchewan hosted a Rural Economic Opportunities Conference on March 20 and 21, 2002, in Saskatoon. The conference, attended by nearly 500 individuals and community representatives, showcased successful rural Saskatchewan entrepreneurs, their experiences and their advice on how to capture economic development opportunities in rural areas. Feedback from attendees was extremely positive and suggested the need to continue to offer these types of events to rural Saskatchewan citizens.

You can find out more about both the conference and *Community Success Stories* online at www.agr.gov.sk.ca/acre.

What We Heard From ACRE

The most consistent message that ACRE heard was **that fundamental change must be made to revive the fortunes of rural Saskatchewan and that this change must come from within rural Saskatchewan.**

The committee also found that:

1) There are a large number of opportunities in rural Saskatchewan. Their report highlights many examples of entrepreneurs and local communities creating wealth and employment.

2) The "status quo" or "business as usual" is not an option. We cannot keep doing what we have been doing if we are truly serious about reversing the decline.

3) The negative attitude of some Saskatchewan residents, both rural and urban, is a major obstacle to future development. It has prevented people from developing new initiatives or new businesses that could impact positively on their lives and communities. Further, this negativity about rural Saskatchewan suggests to potential investors and immigrants that Saskatchewan is not an attractive place in which to do business or live.

4) If we wish to reverse the decline of population and keep young people in rural Saskatchewan, we need to create more rural jobs.

5) The creation of jobs will come about from entrepreneurs and local communities with ideas. Through hard work and investment, these ideas will translate into profitable businesses, which will then create employment for rural residents.

6) The role of government is to create the proper economic and business climate by removing roadblocks that prevent Saskatchewan entrepreneurs and communities from taking advantage of rural opportunities.

7) Rural Saskatchewan has been in decline for 50 years. Reversing this situation will not occur overnight and there are no short-term fixes. ACRE estimates that it could take 20 years or more to achieve long-term, sustainable rural growth.

ACRE presented these findings and others in the recommendations it submitted to the Standing Committee on Agriculture in the provincial legislature on April 29, 2002. Government departments, agencies and Crown corporations have since reviewed ACRE's recommendations and began developing their own internal strategies for responding to them within the context of a co-ordinated government-wide plan.

The result is this – *A Strategy for Rural Saskatchewan: Responding to ACRE.*

A STRATEGY FOR RURAL SASKATCHEWAN: Responding to ACRE

GOVERNMENT'S COMMITMENT TO RURAL PEOPLE

The Government of Saskatchewan is committed to working with individuals, communities, businesses and other governments to achieve sustainable economic development and an enhanced quality of life in rural Saskatchewan. Our efforts are guided by the following principles:

- **Partnership** within and between communities will address local needs with innovative, forward-thinking strategies and initiatives.
- **Leadership** of rural people will drive the efforts to revitalize rural Saskatchewan and to undertake economic development.
- **Collaboration** between government and rural stakeholders is vital to ensure our collective success.
- **Accountability** will be measured by the accomplishments of individuals, communities and government working to revitalize rural areas.

The government's commitment to rural people speaks to ACRE's vision of a vibrant rural Saskatchewan where individuals, communities and businesses are proud and prosperous, and support a robust rural economy.

We will seek to achieve three goals that can make this vision a reality: a competitive business environment; sustainable and effective public infrastructure; and strong and healthy rural communities. This strategy will guide government policy in the years ahead as we seek to develop and grow rural Saskatchewan within the parameters of fiscal responsibility.

GOAL 1: A Competitive Business Environment

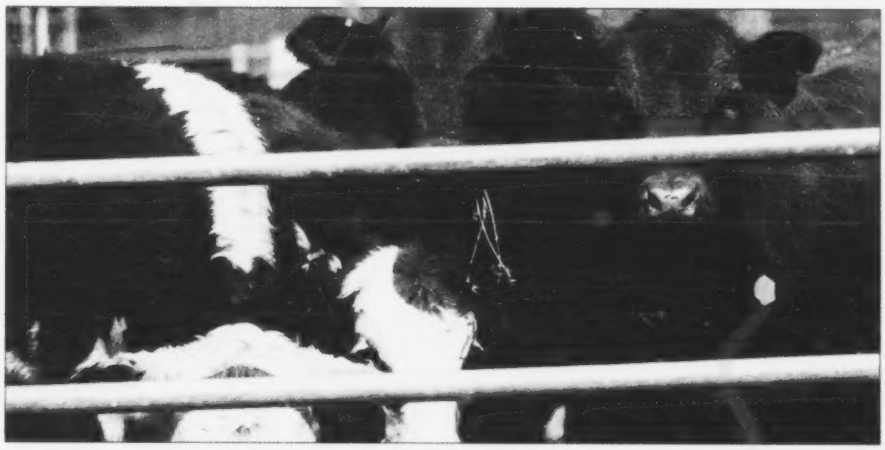
We know that the business environment in Saskatchewan must be competitive with other jurisdictions – provincial, national and international – if we wish to keep and grow established businesses or attract new businesses.

A stable environment must be created; one in which individuals, communities and businesses are willing to make long-term investments in the future of the province.

The Government of Saskatchewan believes we can create this environment by changing the way we approach private sector investment; regulations and taxes; human resource capacity; research and development funding; and our relationship with the natural environment – the air, water and soil we all depend on.

Key ACRE recommendations included:

- Attracting more investment through the creation of a Saskatchewan Opportunities Foundation and the development of an agribusiness investment strategy.
- Reducing corporate capital tax for the resource sector; adopting a Saskatchewan value-added tax credit; ensuring consistency in taxation in all of the rural municipalities; and alleviating the education tax on farmland.
- Regulatory management including: consistent regulations on the use of roads in all rural municipalities; enhanced competitiveness through food safety and environmental practices; fair and consistent use of Crown land with the objective to improve usage; and expansion of the Livestock Loan Guarantee Program.
- Creating a positive, competitive and progressive labour environment.
- Government investment in publicly accessible applied research and development.



Increase Private Sector Investment

Sourcing capital for investment in rural Saskatchewan business was identified as a major need early in ACRE's work. Growing the rural economy requires a huge capital investment from both within and outside of the province.

The best people to invest in projects are those who live in these communities, as benefits from projects often accrue to the local area. However, local investors may not be willing to tie up all of their assets in one investment or to accept the level of risk associated with a new project. In other cases, Saskatchewan and Canadian residents may wish to invest in a community project without wanting to have any day-to-day involvement in the business.

In order to attract that kind of capital, Saskatchewan must be a competitive investment alternative to other jurisdictions. Government has already begun to respond by:

- Continuing to seek opportunities to increase investment in Saskatchewan where local people, and other Saskatchewan and Canadian residents, can invest in facilities such as rural manufacturing and rural processing.
- Establishing a feedlot option under the Livestock Loan Guarantee Program to allow for the provision of guarantees directly to individual feedlot operations.
- Establishing a Feedlot Facilities Equity Investment Loan Guarantee Program to encourage participation in the sector by members of community associations and commercial lenders.
- Examining ways to establish an investment fund that will allow the intensive livestock sector to access capital.
- Establishing a Short-Term Hog Loan Program to help pork producers hit hard by low prices and high feed costs. This ensures that individuals investing private capital in the pork business sector can weather fluctuating levels of profitability.

Current actions:

- Short-Term Hog Loan Program.
- The Prairie Ventures Fund.
- Increased the scope of Livestock Loan Guarantee Program.
- Ethanol development.
- Premier's Investment Attraction Council.

Next steps:

- Seek opportunities to increase investment in Saskatchewan where local people, and other Saskatchewan and Canadian residents, can invest in facilities such as rural manufacturing and rural processing.
- Establishing a feedlot option under the Livestock Loan Guarantee Program.
- Establishing a feedlot facilities equity investment loan guarantee program.
- Examining ways to establish an investment fund that will allow the intensive livestock sector to access capital.

In January 2002, the Prairie Ventures Fund was announced to assist in the economic growth of Saskatchewan by providing a mechanism for entrepreneurs to access venture capital. The fund plans to raise $60 million over five years for targeted investment into projects in agriculture and further processing, manufacturing, information technology, forestry, oil and gas development, industrial minerals and tourism.

To help expand Saskatchewan's livestock industry, the province has increased the scope of its Livestock Loan Guarantee Program – an initiative that provides loan guarantees to livestock feeder and breeder associations. The program was strengthened this past year by increasing the total program guarantee limit to $60 million from $55 million. Individual association borrowing limits were increased to $6 million from $5 million.

To help grow small and medium sized companies, government will continue to provide tax incentives like the Labour-Sponsored Venture Capital Funds. To date, 55 Saskatchewan businesses have benefited from the $66.6 million invested in the program. An example is F.P. Bourgault Tillage Tools Ltd. at St. Brieux. The firm's success is partly a result of a $168,000 investment that helped to expand sales and increase employment.

Government will also maintain the Small Business Loans Association Program. This program assists entrepreneurs by providing up to $10,000 in financing to help augment capital they have already raised. There are currently 248 active loan associations operating throughout the province. Over 90 per cent of those are in locations outside of Regina and Saskatoon.

Government will continue to help communities as well – through the province's network of 28 Regional Economic Development Authorities (REDAs). The REDA Enhancement Fund has already provided $1.5 million over the past four years to communities advancing projects that grow or sustain their local economies.

At a provincial level, government is working to increase private sector investment in agricultural diversification and value-added initiatives. These include projects such as ethanol plants, feedlots and commercial hog barns.

The government's activities in attracting large-scale private sector investments have been successful, as evidenced by the recent announcement for an 80 million-litre ethanol plant. The Broe Group of Companies will build a $55 million ethanol plant that will create 35 permanent jobs at Belle Plaine. The Belle Plaine plant is expected to open early in 2004. Two similar plants are planned for the Yorkton-Melville and Tisdale areas. This development sets the stage for expansion of the livestock feeding industry in Saskatchewan using by-products of the ethanol industry as feedstock for finishing Saskatchewan livestock.

Government provides support services to producers, communities and investors in the areas of project development, human resource development, business/capital management, environmental sustainability and production management.

These efforts can now be co-ordinated across government, thanks to the Premier's Investment Attraction Council – an internal body established to help government departments, agencies and Crown corporations work together on economic development. The Council may also look for ways to "fast track" individual projects that can yield major benefits for the provincial economy.

A Competitive Regulatory and Tax Environment

Many enterprises – whether primary production, manufacturing or processing – are capital intensive, requiring large investments in land and facilities. The higher the level of processing, the greater the capital investment required. Differences in how local communities tax these investments were raised as an issue by ACRE, as well as how provincial regulations and taxes affect certain types of investment.

Government is working to eliminate inconsistencies in how local taxation tools are applied to rural development projects.

Early in its work, ACRE also highlighted the concerns of rural residents around education property taxes. In 2001, the government took action by providing an additional $33.7 million in provincial operating grants to schools – the largest increase in 15 years. In the 2002 budget, we increased the size of the grant by a further $23.4 million – bringing the total increase since 1999 – 2000 to 21 per cent. These increases will help to alleviate the burden placed on property owners by rising education costs while maintaining our support of the education system. The province is analyzing the costs and benefits of altering the current balance between education property tax and provincial government transfers for various types of property, in both rural and urban Saskatchewan.

Saskatchewan has also created a Competitiveness Branch within the Department of Industry and Resources to examine the province's regulatory business climate through comparison with other jurisdictions. Branch staff will examine barriers to investment and growth in agricultural and non-agricultural sectors through consideration of taxation issues; labour issues; regulatory reform; investment attraction; and incentive programs.

ACRE had already identified the need to change the taxation and royalty regimes for the resource sector. Stakeholders in this highly competitive part of our economy closely analyze exploration and development costs before making investments. Part of this analysis includes an examination of the taxation and investment climate.

Effective October 1, 2002, the government introduced lower royalty and production tax structures on production from new oil and gas wells, and projects, introduced a new system of volume incentives, and reduced the Corporation Capital Tax surcharge. The government also introduced changes that benefit horizontal and deep oil wells,

Current actions:

- Introduced lower royalty and production tax structures.
- Reduced the Corporation Capital Tax surcharge for new oil and gas projects.
- Six-year mineral exploration incentive program.
- Grant of $0.15 per litre to fuel distributors for ethanol produced and consumed in Saskatchewan.
- Mandated the use of ethanol in gasoline sold in Saskatchewan.
- Changes made to *The Farm Security Act*.

Next steps:

- Analyzing the costs and benefits of altering the current balance between education property tax and provincial government transfers.

and established a new royalty and production tax regime for natural gas produced as a by-product from oil wells. These initiatives are expected to generate an additional $4.3 billion in new investment in the province over the next 10 years, resulting in 9,400 new wells being drilled, 40,000 person years of direct and indirect employment, and $650 million in incremental oil and gas revenues to the province.

The 2002 provincial budget introduced an important change to the Corporation Capital Tax in Saskatchewan that focuses on developing businesses and job creation. Saskatchewan has increased the Corporation Capital Tax exemption from $10 million to as high as $15 million, based on the extent of the company's presence in Saskatchewan. This change has resulted in Saskatchewan having one of the lowest Corporation Capital Tax rates in Canada.

In order to stimulate additional mineral exploration in Saskatchewan, the provincial government introduced a six-year mineral exploration incentive program in September 2002. Components of the program include incentives to prospectors and exploration companies conducting grassroots mineral exploration in the province, the development of a competitive diamond royalty and tax structure, and rebates of fuel tax on fuel used in off-road mineral exploration activities and for remote power generation.

Saskatchewan is also reviewing how it encourages development in our agriculture and food industry. Each new opportunity may require its own unique approach.

Ethanol production, for example, offers us the opportunity to process more of the feed grain we produce right here at home. That means more jobs and wealth stay in Saskatchewan. To encourage the production of ethanol-blended fuel, we now provide a grant of $0.15 per litre to fuel distributors for ethanol produced and consumed in Saskatchewan. This rebate will provide ethanol producers the opportunity to market their product at prices competitive with those of gasoline.

The province is also the first in Canada to mandate the use of ethanol by law.

To help ensure our food producers remain competitive, the Department of Agriculture, Food and Rural Revitalization created a Food Safety and Regulation Branch in 2002. The staff of the Branch will work to ensure that the increasing demands of national and international customers for safe, high quality products continue to be met in the years ahead.

The Government of Saskatchewan passed new legislation this spring to change the province's farmland ownership rules. As identified by ACRE, changes made to *The Farm Security Act* will result in a business environment more competitive with our neighbouring provinces, attracting new investment to rural Saskatchewan. The changes will come into force in the near future, following the finalization of *Farm Security Act Regulations*.

Saskatchewan has a real opportunity to increase the volume and diversity of products it offers both within and outside our borders. Government supports that growth through an annual Provincial Sales Tax Rebate Program on the purchase of buildings, materials and stationary equipment used in livestock production. The program also covers greenhouses and storage facilities for vegetables, raw fruits, medicinal plants,

herbs and spices. In the 2001 – 2002 fiscal year, $1.5 million was paid in rebates on an estimated construction of $80 million.

We are working to ensure the business of farming remains competitive too. The province provides over $242 million in sales tax exemptions for farm machinery, equipment, fertilizer, fuel, pesticide and seed purchases to create a competitive tax environment for primary agriculture.

Progressive Labour-Business Relations

Saskatchewan's ability to maintain a healthy, skilled workforce is key to growing the rural economy. To achieve this, we must create an environment where employees and employers can address workplace challenges co-operatively and collaboratively, and where our labour capacity, in terms of skills, is ready to meet the needs of new or expanding rural businesses.

Saskatchewan is working to establish a committee of labour and business stakeholders that will assist in developing solutions to these challenges. Currently, the expansion of labour-intensive businesses in rural areas is largely limited by the capacity of their local labour pool; this issue is being examined with a view to supplementing the local labour pool from other sources. The recommendations of ACRE's Labour Subcommittee will form the basis for this project.

The Province may be able to source peak seasonal labour requirements through access to migrant workers. The Government of Saskatchewan is working with industry groups and Canada/Saskatchewan Career and Employment Services to develop a pilot project that will allow employers to gain access to the Commonwealth Caribbean and Mexican Seasonal Agricultural Workers Program administered by Human Resources Development Canada.

Our growing hog sector is faced with a different problem – its expansion is often limited by the availability of skilled workers. The Province recently moved to alleviate this situation by including hog barn workers under Saskatchewan labour standards legislation. This action both ensures that employers' already high standards are consistently applied to workers, and sends a message to skilled employees outside our province that Saskatchewan's pork sector is a desirable place in which to work.

Current actions:

- Pilot project to increase access to migrant workers.
- Including hog barn workers under Saskatchewan labour standards legislation.

Next steps:

- Working to establish a committee of labour and business stakeholders.
- Consider recommendations of ACRE's Labour Subcommittee.

Strategic Research and Development

Current actions:

- Greenprint on Ethanol Production in Saskatchewan.
- Agricultural New Generation Co-operatives Program.
- The provincial and federal governments committed $14 million in core funding for the establishment of the Saskatchewan Forestry Centre.

The Government of Saskatchewan has long recognized that funding new research and development projects is one of the best ways to ensure that our provincial economy is capable of efficiently expanding to meet new opportunities.

Limited access to research, development and product testing places our small manufacturers and processors at a competitive disadvantage to those in other jurisdictions. Direct and partnered research and development investments in areas including petroleum, renewable energy, agriculture and forestry can also stimulate the creation of new rural businesses.

The Province already provides $12.1 million annually for research and development initiatives in the agricultural sector alone. This funding is made available to the University of Saskatchewan, federal institutions and industry research facilities, such as the Prairie Swine Centre, the Prairie Agricultural Machinery Institute and the Veterinary Infectious Diseases Organization. Their work helps to keep Saskatchewan on the leading edge of technology in both food and non-food processing, as well as in primary production, whether it be crop, livestock or organic.

To help capture new opportunities in rural areas within the province's oil and gas sector, Saskatchewan will provide funding of $5 million over the next five years to the Saskatchewan Petroleum Technology Research Centre, and $7 million over the same period to the Saskatchewan Petroleum Research Incentive. The new technologies developed through this support will improve oil and natural gas recovery rates and reduce production costs, stimulating new development, jobs and economic growth for our province.

On the development side, Saskatchewan is well positioned to service emerging markets for ethanol products. The Province has created a taxation and legislative environment conducive to communities establishing ethanol plants in the province. As we implement the *Greenprint on Ethanol Production in Saskatchewan*, we will stimulate private sector investment in ethanol fuel and by-products that, in turn, will support increased livestock development.

Expanding into livestock and other types of value-added production is often beyond the fiscal capacity of individual entrepreneurs. Government provides $500,000 in funding for the Agricultural New Generation Co-operatives Program to give farmers an opportunity to work together to develop businesses that take primary production beyond the farm gate.

Our forests are another development opportunity for rural areas. In the summer of 2001, the provincial and federal governments committed $14 million in core funding for the establishment of the Saskatchewan Forestry Centre which will bring focus to all forest related activities, including agro forestry activities in southern Saskatchewan. The Centre has been established as a not-for-profit organization with a majority of private sector

members, including farm-based representation. In July of this year, the province announced plans for a building in Prince Albert to serve as the permanent location for the Centre.

The Agriculture Applied Research Management (Agri-ARM) program conducts producer-driven research and development projects in rural Saskatchewan near eight communities – Canora, Redvers, Indian Head, Melfort, Scott, Prince Albert, Swift Current and Rosthern. The program will result in a more efficient transfer of new technology to producers and processors, stimulating the creation of highly competitive new businesses.

Environmentally Sustainable Economic Development

The ability to offer "green" products to the global marketplace gives Saskatchewan a competitive edge with today's environmentally conscious consumers. Our clean air, water and soil is an advantage that few jurisdictions enjoy – it is up to us to keep it that way as we develop our economy.

Our environmental edge allows us to capitalize on industries that have a link to natural products. Saskatchewan's tourism and cultural industries, including crafts, succeed not only because of the people who develop them, but because of their close ties to nature.

Many of Saskatchewan's "green" products come from our rapidly expanding organic sector. To help our industry position itself for international markets, we have entered into a four-year, $500,000 partnership with the Agricultural Economics Department at the University of Saskatchewan to provide support services for industry associations. Under the initiative, an analyst will study organic certification systems in Canada and abroad, the marketing implications and costs of these systems, and proactively provide this information as a resource to industry associations developing certification standards. The Province has also provided $286,000 through the Agriculture Development Fund to support research into soil fertility and weed management on organic farms.

We are also working with producers to protect the soil from wind and water erosion. The Conservation Cover Program provides financial incentives for farmers to convert marginal cropland to forage for livestock. In 2001, the program contributed over $7.6 million to assist in the conversion of some 500,000 acres to perennial cover.

Current actions:

- $500,000 partnership to provide support for organic certification systems.
- Conservation Cover Program.
- Wind power generation projects.
- Established an Office of Energy Conservation.

Our pristine environment is one of the reasons tourism flourishes in rural Saskatchewan. Approximately $535 million of tourism expenditure takes place outside the two major cities and northern Saskatchewan, making it one of rural Saskatchewan's major industries. The 18,720 jobs associated with this expenditure are key to youth and Aboriginal employment in rural Saskatchewan. As well, the entrepreneurial spirit exhibited by businesses involved in the industry has repeatedly been identified as a key ingredient for growth in rural Saskatchewan. Currently, Tourism Saskatchewan directs $1.2 million into the co-ordination and co-operative marketing of rural events, attractions and services. These funds are then partnered with communities and local operators to attract visitor expenditure to specific areas of the province. Saskatchewan, working with key tourism stakeholders, will examine mechanisms for enhanced development and marketing of tourism in rural Saskatchewan.

Saskatchewan is already a leader in the field of environmental regulation for intensive livestock production. *The Agricultural Operations Act* allows the sector to expand, but only after developers pass a strict permitting process that ensures the environment is protected.

We also lead the way when it comes to energy conservation initiatives. Saskatchewan is developing alternate sources of power in Saskatchewan – wind power and ethanol – to reduce greenhouse gas emissions. Two wind power projects in the Gull Lake area represent the third largest wind power development in Canada. When combined with SaskPower and SaskEnergy's development and adoption of more energy efficient gas and power systems, Saskatchewan residents and businesses are able to reduce operating costs and gain a competitive advantage when trading on international markets. To better co-ordinate these activities, and the research of universities and government institutions, the provincial government recently established an Office of Energy Conservation at the Saskatchewan Research Council.

Saskatchewan is also committed to working with communities to protect the environment at a local level. Saskatchewan will contribute $8.3 million over the next four years through a portion of the Centenary Fund to assist with waste site clean-up, industrial site clean-up and the establishment and operation of regional waste management authorities.

GOAL 2: Sustainable and Effective Public Infrastructure

ACRE has stated that the infrastructure provided by the province will play a key role in our emerging rural economy. The Government of Saskatchewan believes that maintaining and enhancing public infrastructure is crucial, not only for economic development, but for the long-term social viability of rural areas. Our rural strategy deals with three priority areas: transportation, communications and utilities.

Recommendations made by ACRE on infrastructure included:

- Transportation initiatives – ensuring that road, rail and air services in the province work together to support business development and working with municipal governments to improve the co-ordination and integration of planning for permanent municipal road and highway systems.
- Installation of three-phase power, gas and telephone lines to rural Saskatchewan.
- Providing access to high-speed phone lines and cellular coverage.
- Irrigation – developing a plan for infrastructure around key irrigation sites and adopting a policy that expands the utilization of current irrigation systems.
- Water – ensuring feasible water treatment, distribution and wastewater management infrastructures are in place.

Transportation

Our province's transportation network of gravel roads, highways and rail lines is the lifeblood of rural Saskatchewan. It links families, businesses and communities. It links people with the health, education and social services they depend on. It links rural and urban Saskatchewan.

This infrastructure helps us to overcome the geographic barriers that can hinder the development of our rural economy. An effective and efficient transportation system makes rural areas more attractive to investors by ensuring access to both markets and services. ACRE's Transportation Subcommittee will forward recommendations on improving our system in the near future.

In the meantime and in consultation with the Saskatchewan Association of Rural Municipalities (SARM), Saskatchewan will examine options for improving co-ordination among municipalities in areas such as traffic bylaws, road use agreements, and road construction.

In 2002 – 2003, under revenue sharing, rural municipalities received $28 million, of which 80 per cent goes to the construction and maintenance of rural roads.

In addition to the ongoing funding government provides for the maintenance and upkeep of our road system, we have initiated the Strategic Rural Road Partnership Program to support development needs at the local level. This partnership allows the Department of Highways and Transportation to work with area governments to develop infrastructure initiatives on a regional basis so that the overall level of service in rural Saskatchewan is improved. This resulted in $6.5 million of extra funding for communities in 2002 – 2003 to support road improvements related to economic development.

Some examples include:

- Highway No. 30 (40.2 km) – agreement with the RM of Snipe Lake to use gravel municipal roads as the designated haul routes, keeping traffic off of Highway No. 30; and,
- Highway No. 342 (34.4 km) – agreement with the RM of Lacadena to move trucks on to the gravel municipal roads and keep highway No. 342 between Kyle and Lacadena as a dust free road.

The government was recently able to effectively expand the primary weight highway network by removing spring weight restrictions on 2,300 kilometres of rural highway. Previously, weight limits on these roads had been restricted during the months of May and June.

Current actions:

- $6.5 million of extra funding for communities in 2002 – 2003 to support road improvements related to economic development.
- Expand the primary weight highway network by removing spring weight restrictions on 2,300 kilometres of rural highway.

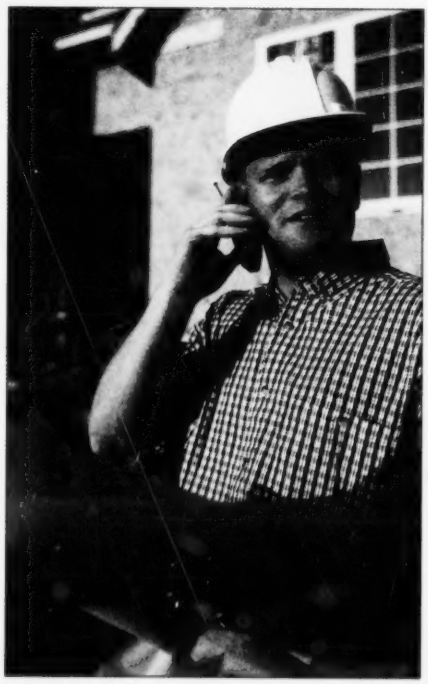
Next steps:

- Examine options for improving co-ordination among municipalities in areas such as traffic bylaws, road use agreements, and road construction.
- Consider ACRE Transportation Subcommittee recommendations.

To support development of our agriculture sector, Saskatchewan will invest $71.8 million in the Canada-Saskatchewan Prairie Grain Roads Program – a government initiative to rebuild or restore rural highways impacted by shifts in grain handling and transportation traffic.

The Province is also committed to working collaboratively with communities through organizations like the Area Transportation Planning Committees (ATPCs) to address regional planning needs. The committees are voluntary planning and advisory groups that conduct local research, share information and provide options and recommendations for transportation systems that support long-term economic development and social needs in their respective planning areas. Communities may need to consider better co-ordination of road construction, traffic bylaws and road use agreements/fees in cases where traffic originates in one municipality and travels across adjacent municipalities to reach a major highway. The improved co-ordination of resources can encourage the development of businesses that operate in multiple jurisdictions.

Communications



Gone are the days when "party" lines met the needs of business in rural Saskatchewan. Today's fast-paced business environment demands private, interactive technology that can take people from a client in Hong Kong to a supplier in Amsterdam in the blink of an eye. Rural residents demand access to the tools they need – cell phones, pagers, laptops and high-speed Internet service. The electronic highway offers opportunities for rural areas to participate in global commerce regardless of location.

Government will invest in the infrastructure required to make this happen. We are in the process of completing a three-year, $54 million expansion of our digital cellular phone network and a $56 million investment in high-speed Internet infrastructure. By the end of 2003, over 90 per cent of Saskatchewan's population will have access to digital cellular service and 71 per cent will have access to high-speed Internet service. We are also researching the wireless service options that will be required to attain our ultimate goal of reaching 95 per cent of Saskatchewan's population in the future.

Current actions:

- A three-year, $54 million expansion of our digital cellular phone network.
- A $56 million investment in high-speed internet infrastructure for 237 communities.
- CommunityNet – linking 366 communities to the World Wide Web.
- Regional and Community Profiles System.

Next steps:

- Paper-based forms used by the provincial government available online.

This is in addition to our financial support of the federal-provincial CommunityNet initiative – a project that will link 366 rural communities, educational institutions, libraries and health facilities in Saskatchewan to the World Wide Web.

Making more government information available on the Internet is helping rural residents better access government programs, services and learning opportunities. Saskatchewan is proceeding with an initiative to make all paper-based forms used by the provincial government available online, so that all citizens can access them from wherever they might live, at the time of their choosing.

At the local level, the Province is leading efforts to develop a flexible and comprehensive Web site that profiles communities and regions. The Regional and Community Profiles System uses Geographic Information System (GIS) features to provide an electronic database with consistent and comprehensive information to site selectors, potential investors, businesses and community economic development organizations. The system will provide a valuable tool for location analysis and will facilitate investment attraction and other economic development initiatives. The pilot is expected to be operational by March 2003, with coverage of the entire province by the end of 2003.

The Government will continue to maintain and provide existing development data, including geological data, to developers.

Saskatchewan works in partnership with communities to increase information about local assets, which may attract investment. For example, in the Aspen/Parkland part of rural Saskatchewan, Saskatchewan Environment, in partnership with the Agency Chiefs Tribal Council and the Yellow Quill First Nation is using satellite imagery air photos and data gathered on the ground to do a macro inventory of the forest resources. This is the first step in attracting new forest related processing business to the forest fringe area of rural Saskatchewan.

Current actions:

- Creation of the Saskatchewan Watershed Authority to co-ordinate efforts to protect source water across the province.
- $9 million extension of our pipeline network into the newly discovered Shackleton natural gas reserve.
- Funding $80 million in renovations at the Boundary Dam Power Station.

Utilities

Entrepreneurs and investors evaluating rural areas for possible development projects sometimes find that utilities are unable to meet their needs. The Provincial Government will work in partnership with communities to develop solutions that do.

Water supplies of sufficient quantity and quality, for example, along with effective waste management facilities that protect water resources, are often limiting factors for production, manufacturing and processing business ventures.

The cost of developing a secure stable source of water, treatment of that water and disposal of waste may be prohibitive for initial business developers in an area.

Saskatchewan's Municipal Financing Corporation (MFC) is able to assist local infrastructure projects such as sewer and water, school, hospital and other essential construction and local improvement projects. For approved projects, MFC provides local governments with flexible terms, customized loans and an interest rate equal to the Province's cost of borrowing.

The Province also invests in rural municipalities through the Canada-Saskatchewan Infrastructure Program (CSIP), a multi-year federal/provincial/municipal program. Over the next five years, Saskatchewan's share of the federal funding will total $56.7 million. Funding is split equally between rural and urban projects with Canada, Saskatchewan and municipalities generally contributing one-third of the project costs. The Provincial Government is committed to allocating 50 per cent of the funding towards "green" infrastructure, of which water supply and wastewater programs are the highest priority.

Government will also work with municipalities to ensure that rural communities have access to safe and reliable drinking water. Our *Safe Drinking Water Strategy* includes: better regulations; protection of source waters; and, improved water treatment infrastructure.

The Saskatchewan Watershed Authority was created on October 1, 2002 to better co-ordinate efforts to protect source water across the province. The Watershed Authority will, among other things, co-ordinate watershed planning, seek to minimize contamination of surface water bodies, promote the protection of aquifers from depletion and contamination, and encourage conservation and restoration of aquatic and riparian ecosystems essential to providing sustained water sources and promoting sustainable economic diversification through wise use of water and related land resources. These actions will ensure sustainable supplies of water and drinking water for rural communities, a key ingredient for sustained economic growth in rural Saskatchewan.

Irrigation development support is provided to the Irrigation Crop Diversification Corporation and to the Saskatchewan Irrigation Diversification Centre. In October 2002, with the re-structuring of SaskWater and formation of the Watershed Authority, responsibility for delivery of the irrigation program to rural Saskatchewan was transferred to Saskatchewan Agriculture, Food and Rural Revitalization to set the stage for strategic development. SaskWater remains responsible for operation of the province's major irrigation infrastructure (the Luck Lake, Riverhurst and Macrorie Irrigation Districts and the headworks for the South Saskatchewan Irrigation District #1).

Energy supplies are an essential component of the infrastructure servicing rural Saskatchewan as well. At the primary production level, government is implementing an expanded oil and gas orphan well and facility program to ensure that oil and gas wells, facilities and related sites in rural Saskatchewan are properly abandoned and reclaimed once they are no longer needed.

We have also invested in a $9 million extension of our pipeline network into the newly discovered Shackleton natural gas reserve northwest of Swift Current, providing a much-needed link into the distribution system for primary production.

Government will continue to maintain and enhance its 23,000 km of three-phase power lines and 115,000 km of single-phase power lines for businesses and communities to ensure it can meet load growth across the province as rural areas develop. As part of that effort, the Province will fund $80 million in renovations at the Boundary Dam Power Station, generating an estimated $40 million worth of work for Saskatchewan construction trades, many of which are located in rural areas.

GOAL 3: Strong and Healthy Rural Communities

Building strong and healthy rural communities will build a prosperous rural Saskatchewan.

ACRE tells us that the future of rural communities is in the hands of the individuals who live in them, but adds that government can and should help those willing to help themselves.

Under the *A Strategy for Rural Saskatchewan: Responding to ACRE* the Government of Saskatchewan will direct activities towards: positive attitude and perception; training and skills development; involving youth; partnerships with Aboriginal people; targeted immigration; and health and social development services.

Key recommendations made by ACRE included:

- Developing an action plan involving a number of stakeholders that builds positive attitudes and promotes the attributes of rural Saskatchewan.
- Skills development – promote careers in the trades, develop leadership skills, expand distance education, use local expertise to deliver education programs, increase investment in training for farmers and local business people and provide entrepreneur mentorship programs.
- Opportunities for youth in rural Saskatchewan.
- Partnering with Aboriginal people.
- Enhancing the province's emergency services to rural residents.

Positive Attitude and Perception

ACRE established early in its work that one of the largest barriers to development in rural Saskatchewan is a negative attitude. The committee's research proves we can succeed in rural areas of our province. We just have to convince ourselves of it.

Based on that early research, the Government of Saskatchewan has already taken the first steps.

In partnership with Western Economic Diversification Canada, the province launched an ongoing advertising campaign in 2001 – *The Saskatchewan Dream* – to tell residents about world-class entrepreneurs who have set up shop in our province. That campaign was supplemented by *Growing the Future* – a two-year advertising initiative highlighting the many success stories in agriculture and rural Saskatchewan, completed in partnership with the Saskatchewan Agrivision Corporation and Western Economic Diversification Canada. This fall, Premier Lorne Calvert unveiled a multi-million dollar program – *The Future is Wide Open* – to raise pride within our borders about what our province has to offer and to raise awareness about it across Canada.

Current actions:

- *The Saskatchewan Dream*— promoting entrepreneurs in Saskatchewan.
- *Growing the Future*— promoting successes in rural Saskatchewan.
- *The Future is Wide Open*— increasing Saskatchewan pride.

Training and Skills Development

If we hope to truly grow the rural economy, we must provide the opportunity for more of our population to develop the leadership and entrepreneurial skills they need to create new business ventures in rural Saskatchewan. Government will support and promote rural education, not just to fill the shortages of skilled labour for rural development initiatives, but to create the knowledge needed in our province to begin to take advantage of the many new opportunities before us.

That is why we fund regional college programs and services in over 40 locations – in rural Saskatchewan. Working with a variety of businesses/employers, organizations and agencies, regional colleges deliver programs that meet specific employment needs (i.e. Job Start/Future Skills). As well, regional colleges are working in partnership with the Apprenticeship and Trade Certification Commission (ATCC), industry and trades groups, Saskatchewan Institute of Applied Science and Technology, and government to ensure that more trades training is delivered directly in rural and northern Saskatchewan.

The Province is also in the process of implementing a Technology Enhanced Learning Action Plan. The Plan aims to:

- Develop and offer support services for post-secondary learners in rural and northern Saskatchewan taking courses online;
- Enhance student course credit transfer arrangements and remove administrative barriers to help students take courses from different institutions;

Current actions:

- Technology Enhanced Learning Action Plan.
- Saskatchewan Veterinarian Medical Association's mentorship program.
- $4.35 million investment in the Farm Family Opportunities Initiative.

Next steps:

- Establish a Rural Leadership Development Program.

- Develop and maintain a Web site that includes an online catalogue of courses delivered in alternate formats (online, televised, multimode) and information about services for students; and,
- Develop and deliver more than 350 online post-secondary courses.

Saskatchewan will also be working with its partners to expand the community schools philosophy to all schools in the province within the vision of School^{PLUS}. This will ensure that children from across Saskatchewan will continue to access, and benefit from, high-quality education programs and services.

Saskatchewan is expanding the Community Schools funding program to include five additional schools in rural and northern areas of our province. There are now 88 schools in the province that have benefited from this initiative to address the needs of at-risk children.

We promote careers in the trades through SaskNetWork – a Web site that offers one-stop career, education, employment and labour market information.

The government's $4.35 million investment in the Farm Family Opportunities Initiative will help farm families get the skills and training they need to continue to live and work in rural Saskatchewan. A new pilot project for agricultural producers between 55 and 64 years of age, provides skills training that can help to supplement their income.

Government will work in partnership with community organizations to establish a Rural Leadership Development Program that places increased emphasis on women, Aboriginal peoples and youth. This will complement the financial support the Province already provides to the Saskatchewan Council for Community Development – enabling communities to participate in the *Leadership Saskatchewan* program – an initiative that gives people the information and skills they need to implement new development projects and programs in their communities.

Training can also help local government. The Province has established an education and training committee in partnership with the Urban Municipal Administrators Association, the Rural Municipal Administrators Association, the Saskatchewan Urban Municipalities Association and the Saskatchewan Association of Rural Municipalities to develop training programs for administrators and elected officials.

Saskatchewan will also support the Saskatchewan Veterinarian Medical Association's efforts to develop a mentorship program to increase the number of rural veterinarians. This will help to ensure there is veterinary support for the expansion of the livestock sector in rural Saskatchewan. Veterinary students, who have completed their first or second year of studies, will be eligible for this program.

Involving Youth

The members of the Action Committee on the Rural Economy recognized early on that the young people of our province had to be included in any long-term planning for rural Saskatchewan. A member was added to specifically represent the interests and needs of those who will shape the future of our province.

Based on input from that individual, government assisted in the creation of a Rural Youth Forum in February 2002. The event brought together 60 young adults to discuss challenges in keeping and attracting youth to rural communities. Those discussions were later captured in ACRE's final report.

Government is committed to providing opportunities for young people. This year, we provided $3.8 million to create jobs through the Centennial Student Employment Program (CSEP). Special effort has been made to ensure that the benefits of CSEP extend evenly and fairly to both rural and northern Saskatchewan.

To create opportunities for mentorship, training and decision-making, we support the *Leaders of Tomorrow* initiative to enable young people to participate in the Boards of Crown Corporations, government agencies and commissions. The appointment process for *Leaders of Tomorrow* ensures regional representation.

Government also helps to fund the province's Regional Economic Development Authorities' (REDAs') Youth Internship Program – an initiative that provides graduates with training and employment opportunities that encourage their entry into economic development activities. Since the program was introduced in 1998 – 1999, it has provided over 70 employment opportunities for youth in economic development related positions within 22 REDA regions throughout the province.

At the community level, Saskatchewan youth are entitled to a responsive school environment that ensures a high-quality learning environment. Rural children need to have the tools and equipment including library and computer access to ensure they do not lose their competitive edge and opportunities due to their rural location. Saskatchewan will build on recent advancements in CommunityNet and high speed Internet access to provide expanded learning opportunities to rural children.

Youth involvement is important if Saskatchewan is to realize its full potential. The first step in the process of getting youth actively working with government is to create a means of communication that works for young people. The Provincial Government has begun work on a web site designed specifically for Saskatchewan youth, and are actively seeking input from people aged 14 to 29.

Current actions:

- Rural Youth Forum.
- $3.8 million through the Centennial Student Employment Program (CSEP).
- Web site for Saskatchewan Youth.

Current actions:

- A memorandum of understanding between Government, the University of Saskatchewan and the Federation of Saskatchewan Indian Nations to develop new agricultural training programs .
- Post-Secondary Aboriginal Education and Training Action Plan.

Partnerships with Aboriginal People

The Government of Saskatchewan strongly supports ACRE's view that our Aboriginal people must be involved in the development of our rural economy.

Our Aboriginal Employment Development Program links employers, unions, training institutions and the Aboriginal labour force. Through partnerships with private and public sector employers, employee positions are identified and communicated to the Aboriginal community, allowing Aboriginal people to focus their training and compete for future job openings. In addition to the community college and health districts already participating in the program, a number of new rural partnerships are under development.

The number and size of businesses owned by First Nation and Métis people are increasing in various sectors of the economy. Two Aboriginal-owned businesses located in rural Saskatchewan were listed in the top 150 Saskatchewan businesses in 2001.

One, NorSask forest products, is owned by First Nations of the Meadow Lake Tribal Council. In addition to being a major economic force in the forestry sector, the Meadow Lake Tribal Council has large investments in trucking, energy, air transportation, agriculture, as well as international investments.

The other, the Kitsaki Development Corporation, is owned by the Lac LaRonge First Nation. It has large investments across many sectors of the economy ranging from transportation and tourism to mining and forestry.

These are only two examples of many Aboriginal communities across Saskatchewan that are very successful in business and are a major contributor to the rural and overall provincial economy.

Through the Clarence Campeau Development Fund, Métis entrepreneurs acquire the management, administrative and marketing skills necessary for business development. The fund complements other economic development funding initiatives, including programming through the Saskatchewan Native Economic Development Corporation – which provides direct loans and business assistance to Métis entrepreneurs. With the help of this initiative, hundreds of businesses and jobs have been created throughout rural and urban Saskatchewan.

By co-operating with First Nations and Métis partners, Saskatchewan will soon be in a position to implement a Post-Secondary Aboriginal Education and Training Action Plan. This initiative is designed to improve the Aboriginal peoples' access to, and success in, post secondary education, training and employment.

There is also a role for Aboriginal residents in our expanding agriculture sector. Government is working with the University of Saskatchewan, First Nations educational institutions and Métis educational institutions to develop new agricultural training programs. A recent Memorandum of Understanding between the University, the Federation of Saskatchewan Indian Nations and government will support this effort.

Targeted Immigration

Development opportunities in rural Saskatchewan are often limited by the size and capacity of the local labour pool. To help address the shortage of skilled rural labour, government is working with business to expand the Saskatchewan Immigrant Nominee Program. This initiative allows the province to "fast-track" people with the skills Saskatchewan needs through the federal immigration process. The program is already being used to meet labour needs in rural manufacturing and pork production, and was recently expanded to allow the recruitment of foreign farmers experienced in areas such as irrigation development. Despite their small numbers, each of these new Saskatchewan residents has an impact on the continued expansion of our rural economy – allowing our province to capture global opportunities never before seen within our borders.

Current actions:

- Expand the Saskatchewan Immigrant Nominee Program.

After making an offer to purchase farmland near Fairlight, Saskatchewan in November of 2001, British farmer Teresa Walker arrived in our province on August 23 of this year. Her move was fast-tracked by the Saskatchewan Immigrant Nominee Program – she received her visa within three months of application, instead of the usual 15 months.

Sustainable Health and Social Development Services

Strong and healthy rural communities are representative of the people who live within them. Individuals choose to stay and work in rural Saskatchewan only when they are confident that local health and social services are able to meet their needs over the long term.

To ensure the sustainability of these services, investments need to consider the future economic potential within a regional context so that capacity and future needs can be met. Co-operation among communities is essential if the high quality of health and social services that we have come to expect is to be maintained.

Current actions:

- The Action Plan for Saskatchewan Health Care.
- Increased funding for the Community Solutions Program.

Next steps:

- Increased funding for community-based cultural and recreational activities.

Effective health services are a must for rural communities. To meet rural needs, the Provincial Government will commit to a number of initiatives under *The Action Plan for Saskatchewan Health Care:*

- We will expand access to the 9-1-1 program to most of the province by the end of next year. Approximately 90 per cent of available telephone landlines will be connected to 9-1-1;
- We are creating a venue for Saskatchewan residents to access immediate and reliable health advice by calling a 24-hour telephone line to access specially trained nurses. The service will be available to Saskatchewan residents in early 2003;
- We will establish a province-wide network of community, northern, district, regional and provincial hospitals, defining minimum service levels for each category;
- We are creating primary health care teams of doctors, nurses and other health providers to provide accessible, front-line care to people across Saskatchewan;
- We will provide more options for seniors and people with disabilities who want to remain as independent as they can in their communities; and,
- Government will also increase health care funding to reduce waiting times for surgery; to train new or existing ambulance attendants to become Emergency Medical Technicians; to add more trainings seats for health providers most in need, and to offer return-service bursaries for students studying in selected health programs.

Government has led structural changes to the health care system as well. We have established Canada's first Quality Council, to promote excellence and effective health spending; and, 12 Regional Health Authorities to replace the old 32 health districts, reducing administration costs and improving planning.

We are also increasing the ability of rural health care providers to access secure health information through CommunityNet, a high-speed computer network that connects health care facilities and agencies throughout the province.

Government believes rural families need access to quality child-care. In the 2002 – 2003 Provincial Budget, we increased funding for the *Community Solutions Program* to $645,000. This money supports initiatives in northern and rural areas that help childcare centres to: include children and families with special needs, help parents enter the workforce or meet the needs of northern and rural communities.

The social fabric of rural Saskatchewan is important too – it is what connects families and individuals to the communities they live in. The Province will increase its financial support of community-based culture, recreation and Saskatchewan Centennial projects and activities to help strengthen that connection in the years ahead.

Where We Go From Here

A Strategy for Rural Saskatchewan: Responding to ACRE is a long-term plan. In the presentation of its final report to government in the Legislature this past April, the Action Committee on the Rural Economy (ACRE) stated that the decline of rural Saskatchewan has been in progress for 50 years and that reversing this trend will not happen overnight.

Saskatchewan, with the help of ACRE, has now taken the first steps in setting out a framework for moving rural Saskatchewan along a path of sustained growth and prosperity.

Government cannot do this alone. The collective wisdom of ACRE has established the roadmap for Saskatchewan upon which the rural strategy has been built. The group will need to continue guiding government and Saskatchewan residents along the path we have collectively chosen.

Further into the future, ACRE will remain an important sounding board for ideas and for providing feedback on rural issues. We will again draw on their individual expertise and their collective knowledge about the rural economy as we begin preparations for a second Rural Economic Opportunities Conference, to be held in the spring of 2004.

The Province is also in the process of developing a rural lens – an internal government policy mechanism that will ensure decision makers consider the rural perspective – in order to better capture the potential impact and effects, of policy decisions, on rural stakeholders.

Next steps:

- Hold a second Rural Economic Opportunities Conference.
- Develop a rural lens.
- Consider the Transportation Subcommittee, the Grains and Oilseeds Subcommittee, and the Labour Subcommittee.
- Extend and renew the mandate of the Action Committee on the Rural Economy.

Next Steps for ACRE

Three subcommittees will be providing additional recommendations for ACRE to consider in the months ahead. The Transportation Subcommittee, the Grains and Oilseeds Subcommittee and the Labour Subcommittee were created late in the ACRE process and will soon be completing their sector studies and analyses. When finished, these groups will provide a series of recommendations to the main ACRE body for review. Any approved recommendations will then be forwarded to government for consideration.

Even after that process has been completed, ACRE still will have an important role to play in working with government and communities to accomplish what has been set out within *A Strategy for Rural Saskatchewan: Responding to ACRE*.

In recognition of this, Saskatchewan will extend and renew the mandate of the Action Committee on the Rural Economy until March 31, 2005 and ask that they be the mechanism for rural people to:

- Provide feedback on the *A Strategy for Rural Saskatchewan: Responding to ACRE*;
- Engage rural Saskatchewan in ongoing dialogue on enhanced partnerships and collaboration – providing a strong voice for rural Saskatchewan into the Saskatchewan Government;
- Monitor delivery of the individual actions and collective success of the rural strategy; and,
- Re-examine the rural economy and explore new areas for economic growth and new actions that can be recommended to Government by January 2005.

Success in rural Saskatchewan will not be achieved by government actions alone.

ACRE has identified that the fundamental change that needs to occur in rural Saskatchewan **"must come from within rural Saskatchewan".**

Sustainable rural development must be defined by the local and regional priorities that matter to communities. Their success will ultimately depend on the initiative of local entrepreneurs and community leaders.

A viable rural community is possible if people have faith in the future of their communities and local opportunities.

Government understands its responsibility is to provide a framework and environment in which individuals and families will have the confidence necessary to make the financial investment in local development projects and the personal investment in rural Saskatchewan as a place to build homes and raise their children. *A Strategy for Rural Saskatchewan: Responding to ACRE* is our first step towards creating a new rural economy.

Saskatchewan

Our Future is Wide Open